

**FINANCIAL INSTITUTION UNDER FALSE PRETENSES.**—It shall be a violation of this subtitle to request a person to obtain customer information of a financial institution, knowing that the person will obtain, or attempt to obtain, the information from the institution in any manner described in subsection (a).

(c) **NONAPPLICABILITY TO LAW ENFORCEMENT AGENCIES.**—No provision of this section shall be construed so as to prevent any action by a law enforcement agency, or any officer, employee, or agent of such agency, to obtain customer information of a financial institution in connection with the performance of the official duties of the agency.

(d) **NONAPPLICABILITY TO FINANCIAL INSTITUTIONS IN CERTAIN CASES.**—No provision of this section shall be construed so as to prevent any financial institution, or any officer, employee, or agent of a financial institution, from obtaining customer information of such financial institution in the course of—

(1) testing the security procedures or systems of such institution for maintaining the confidentiality of customer information;

(2) investigating allegations of misconduct or negligence on the part of any officer, employee, or agent of the financial institution; or

(3) recovering customer information of the financial institution which was obtained or received by another person in any manner described in subsection (a) or (b).

(e) **NONAPPLICABILITY TO INSURANCE INSTITUTIONS FOR INVESTIGATION OF INSURANCE FRAUD.**—No provision of this section shall be construed so as to prevent any insurance institution, or any officer, employee, or agent of an insurance institution, from obtaining information as part of an insurance investigation into criminal activity, fraud, material misrepresentation, or material nondisclosure that is authorized for such institution under State law, regulation, interpretation, or order.

(f) **NONAPPLICABILITY TO CERTAIN TYPES OF CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.**—No provision of this section shall be construed so as to prevent any person from obtaining customer information of a financial institution that otherwise is available as a public record filed pursuant to the securities laws (as defined in section 3(a)(47) of the Securities Exchange Act of 1934).

(g) **NONAPPLICABILITY TO COLLECTION OF CHILD SUPPORT JUDGMENTS.**—No provision of this section shall be construed to prevent any State-licensed private investigator, or any officer, employee, or agent of such private investigator, from obtaining customer information of a financial institution, to the extent reasonably necessary to collect child support from a person adjudged to have been delinquent in his or her obligations by a Federal or State court, and to the extent that such action by a State-licensed private investigator is not unlawful under any other Federal or State law or regulation, and has been authorized by an order or judgment of a court of competent jurisdiction.

#### SEC. 522. ADMINISTRATIVE ENFORCEMENT.

(a) **ENFORCEMENT BY FEDERAL TRADE COMMISSION.**—Compliance with this subtitle shall be enforced by the Federal Trade Commission in the same manner and with the same power and authority as the Commission has under the title VIII, the Fair Debt Collection Practices Act, to enforce compliance with such title.

(b) **NOTICE OF ACTIONS.**—The Federal Trade Commission shall—

(1) notify the Securities and Exchange Commission whenever the Federal Trade Commission initiates an investigation with respect to a financial institution subject to regulation by the Securities and Exchange Commission;

(2) notify the Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) whenever the Commission initiates an investigation with respect to a financial institution subject to regulation by such Federal banking agency; and

(3) notify the appropriate State insurance regulator whenever the Commission initiates an investigation with respect to a financial institution subject to regulation by such regulator.

#### SEC. 523. CRIMINAL PENALTY.

(a) **IN GENERAL.**—Whoever knowingly and intentionally violates, or knowingly and intentionally attempts to violate, section 521 shall be fined in accordance with title 18, United States Code, or imprisoned for not more than 5 years, or both.

(b) **ENHANCED PENALTY FOR AGGRAVATED CASES.**—Whoever violates, or attempts to violate, section 521 while violating another law of the United States or as part of a pattern of any illegal activity involving more than \$100,000 in a 12-month period shall be fined twice the amount provided in subsection (b)(3) or (c)(3) (as the case may be) of section 3571 of title 18, United States Code, imprisoned for not more than 10 years, or both.

#### SEC. 524. RELATION TO STATE LAWS.

(a) **IN GENERAL.**—This subtitle shall not be construed as superseding, altering, or affecting the statutes, regulations, orders, or interpretations in effect in any State, except to the extent that such statutes, regulations, orders, or interpretations are inconsistent with the provisions of this subtitle, and then only to the extent of the inconsistency.

(b) **GREATER PROTECTION UNDER STATE LAW.**—For purposes of this section, a State statute, regulation, order, or interpretation is not inconsistent with the provisions of this subtitle if the protection such statute, regulation, order, or interpretation affords any person is greater than the protection provided under this subtitle as determined by the Commission, on its own motion or upon the petition of any interested party.

#### SEC. 525. AGENCY GUIDANCE.

In furtherance of the objectives of this subtitle, each Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) and the Securities and Exchange Commission or self-regulatory organizations, as appropriate, shall review regulations and guidelines applicable to financial institutions under their respective jurisdictions and shall prescribe such revisions to such regulations and guidelines as may be necessary to ensure that such financial institutions have policies, procedures, and controls in place to prevent the unauthorized disclosure of customer financial information and to deter and detect activities proscribed under section 521.

#### SEC. 526. REPORTS.

(a) **REPORT TO THE CONGRESS.**—Before the end of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General, in consultation with the Federal Trade Commission, Federal banking agencies, the Securities and Exchange Commission, appropriate Federal law enforcement agencies, and appropriate State insurance regulators, shall submit to the Congress a report on the following:

(1) The efficacy and adequacy of the remedies provided in this subtitle in addressing attempts to obtain financial information by fraudulent means or by false pretenses.

(2) Any recommendations for additional legislative or regulatory action to address threats to the privacy of financial information created by attempts to obtain information by fraudulent means or false pretenses.

(b) **ANNUAL REPORT BY ADMINISTERING AGENCIES.**—The Federal Trade Commission and the Attorney General shall submit to Congress an annual report on number and disposition of all enforcement actions taken pursuant to this subtitle.

#### SEC. 527. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) **CUSTOMER.**—The term “customer” means, with respect to a financial institution, any per-

son (or authorized representative of a person) to whom the financial institution provides a product or service, including that of acting as a fiduciary.

(2) **CUSTOMER INFORMATION OF A FINANCIAL INSTITUTION.**—The term “customer information of a financial institution” means any information maintained by or for a financial institution which is derived from the relationship between the financial institution and a customer of the financial institution and is identified with the customer.

(3) **DOCUMENT.**—The term “document” means any information in any form.

#### (4) FINANCIAL INSTITUTION.

(A) **IN GENERAL.**—The term “financial institution” means any institution engaged in the business of providing financial services to customers who maintain a credit, deposit, trust, or other financial account or relationship with the institution.

(B) **CERTAIN FINANCIAL INSTITUTIONS SPECIFICALLY INCLUDED.**—The term “financial institution” includes any depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act), any broker or dealer, any investment adviser or investment company, any insurance company, any loan or finance company, any credit card issuer or operator of a credit card system, and any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis (as defined in section 603(p)).

(C) **SECURITIES INSTITUTIONS.**—For purposes of subparagraph (B)—

(i) the terms “broker” and “dealer” have the meanings provided in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c);

(ii) the term “investment adviser” has the meaning provided in section 202(a)(11) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)); and

(iii) the term “investment company” has the meaning provided in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a-3).

(D) **FURTHER DEFINITION BY REGULATION.**—The Federal Trade Commission, after consultation with Federal banking agencies and the Securities and Exchange Commission, may prescribe regulations clarifying or describing the types of institutions which shall be treated as financial institutions for purposes of this subtitle.

Amend the title so as to read “An Act to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, and other financial service providers, and for other purposes.”

Mr. SPECTER. Mr. President, I ask unanimous consent that the Senate disagree to the amendments of the House, request a conference on the disagreeing votes, and the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Presiding Officer (Mr. VOINOVICH) appointed Mr. GRAMM, Mr. SHELBY, Mr. MACK, Mr. BENNETT, Mr. GRAMS, Mr. ALLARD, Mr. ENZI, Mr. HAGEL, Mr. SANTORUM, Mr. BUNNING, Mr. CRAPO, Mr. SARBANES, Mr. DODD, Mr. KERRY, Mr. BRYAN, Mr. JOHNSON, Mr. REED, Mr. SCHUMER, Mr. BAYH, and Mr. EDWARDS, conferees on the part of the Senate.

ORDERS FOR MONDAY, JULY 26, 1999

Mr. SPECTER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it

stand in adjournment until the hour of 11 a.m. on Monday, July 26. I further ask unanimous consent that on Monday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then begin debate on the Senate resolution to reinstate rule XVI.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. Mr. President, I further ask unanimous consent that the cloture vote on the motion to proceed to H.R. 1501 occur at 5:30 p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

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#### PROGRAM

Mr. SPECTER. Mr. President, for the information of all Senators, the Senate will convene at 11 a.m. on Monday and immediately begin debate on the resolution to reinstate rule XVI. By previous order, there will be 6 hours of de-

bate on the resolution with one amendment in order regarding scope in conference.

As a reminder, a cloture motion on the motion to proceed to the House-passed juvenile justice bill was filed today. That vote will take place in a stacked series at 5:30 p.m., along with the rule XVI resolution and the amendment regarding scope in conference.

Further, it is the intention of the majority leader to begin debate on the reconciliation legislation next week. Therefore, Senators should be prepared to vote throughout each day and into the evenings next week.

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#### ADJOURNMENT UNTIL 11 A.M. MONDAY, JULY 26, 1999

Mr. SPECTER. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 10:26 p.m. adjourned until Monday, July 26, 1999, at 11 a.m.

#### NOMINATIONS

Executive nominations received by the Senate July 22, 1999:

##### CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

AMY C. ACHOR, OF TEXAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM EXPIRING OCTOBER 6, 2003. VICE LESLIE LENKOWSKY, TERM EXPIRED.

##### IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

##### *To be brigadier general*

COL. CHARLES W. FLETCHER, JR., 0000.

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#### CONFIRMATION

Executive nomination confirmed by the Senate July 22, 1999:

##### DEPARTMENT OF THE TREASURY

JEFFREY RUSH, JR., OF VIRGINIA, TO BE INSPECTOR GENERAL, DEPARTMENT OF THE TREASURY.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.